

**FY 09-10**  
**LME FUNDING REDUCTIONS:**  
**METHODOLOGY, COMMUNITY**  
**DECISIONS & IMPACTS**

**Joint Legislative Oversight Committee on  
Mental Health, Developmental Disabilities, and  
Substance Abuse Services**

**November 10, 2009**

# **LME STATE FUNDING REDUCTIONS**

**Total Reductions: \$60,017,219**

- **General Services Reduction: \$40,000,000**
- **State Funds supplementing CAP-MR/DD  
Consumers: \$16,000,000**

# **LME STATE FUNDING REDUCTIONS**

- **“Non-Core” Community (Comprehensive Treatment & Service Program): \$4,017,219**
- **Reduction = 16% of total recurring State/Federal service dollars**

**Note: \$15,000,000 - 5% Reserve reallocated to community services**

# \$15,000,000 RESERVE REALLOCATED TO LMEs

<b>LMEs</b>	<b>Original Pro Rata Reduction</b>	<b>Revised Pro Rata Reduction</b>	<b>Additional Funding Available for SFY 2009-2010</b>
Alamance-Caswell	757,422	390,039	367,383
Albemarle	909,354	468,277	441,077
Beacon Center	751,444	386,960	364,484
Centerpoint	1,773,404	913,224	860,180
Crossroads	972,686	500,890	471,796
Cumberland	874,381	450,268	424,113
Durham	875,054	450,614	424,440
Eastpointe	1,007,312	518,721	488,591
ECBH	1,741,704	896,900	844,804
Five County	1,150,458	592,435	558,023
Guilford	1,393,235	717,454	675,781
Johnston	388,991	200,313	188,678
Mecklenburg	1,959,193	1,008,897	950,296
Mental Health Partners	952,891	490,696	462,195
Onslow-Carteret	426,740	219,752	206,988
Orange-Person-Chatham	993,858	511,792	482,066
Pathways	1,670,495	860,231	810,264
Piedmont	1,813,210	933,722	879,488
Sandhills	2,027,663	1,044,156	983,507
Smoky Mountain	2,234,284	1,150,557	1,083,727
Southeastern	896,654	461,737	434,917
Southeastern Regional	1,025,584	528,130	497,454
Wake	2,006,005	1,033,003	973,002
Western Highlands	2,322,978	1,196,232	1,126,746
<b>GRAND TOTAL</b>	<b>30,925,000</b>	<b>15,925,000</b>	<b>15,000,000</b>

# **LME FUNDING REDUCTION METHODOLOGY**

- **CTSP reductions (\$4,017,219) were allocated to LMEs in proportion to their total allocation of these dollars**
- **State funds/CAP-MR/DD reductions (\$16,000,000) were based on actual data by LME (e.g. total State dollars spent supporting CAP-MR/DD consumers)**

# **LME FUNDING REDUCTION METHODOLOGY**

- **General service reduction (\$40.0 million)  
allocated to LMEs as follows:**

**\*\$2,200,000 in reductions (10.3%) to Cross Area  
Service Programs (CASP)**

**\*\$21,875,000 (LME fund balance appropriations)**

**\*\$15,925,000 (based on each LME's total non-  
CASP State/Federal funding allocation)**

# **LME REDUCTION PLAN INSTRUCTIONS**

- **Protect Crisis Services (e.g. Mobile Crisis Teams, Walk-In Crisis Clinics, DD START Teams)**
- **Reductions taken in State dollars only**
- **Demonstrate consumer, family, provider and LME Board involvement**

# **LME REDUCTION PLAN INSTRUCTIONS**

- **Appropriate identified fund balance amount—If not—Why?**
- **Identify funding reductions by age/disability group & seek to define consumer impacts**
- **Describe changes in the LME's State Funded Benefit Plan**

**Note: All LME Reduction Plans have been reviewed and approved by DMH/DD/SAS**



# **LME FUND BALANCE APPROPRIATIONS**

## **Methodology:**

### **➤ Multi-County LMEs**

- Exclude approved reserved amounts (all or a portions)**
- Excluded 8% of unreserved amount**
- Assumed that 90% of remaining funds were available for appropriation during FY 09-10 & FY 10-11 (50% per year)**

# **LME FUND BALANCE APPROPRIATIONS**

## **➤ Single County Programs**

- Reviewed appropriated vs. actual expenditures for the last two years**
- Assumed any difference represented a contribution to county fund balance**

# **LME FUND BALANCE APPROPRIATIONS**

## **➤Single County Programs Continued**

- **Excluded 8% of the amount and assumed that 90% of the remainder was available for appropriation during FY 09-10 & FY 10-11 (50% per year)**

**Note: 16 of 24 LMEs were requested to appropriate fund balance to offset the impacts of funding reductions**

# FUND BALANCE UTILIZATION

- Requested LME Fund Balance Appropriation = \$21,875,000
- Actual Fund Balance Appropriation = \$24,944,906 (114%)
- Track LME service expenditures and fund balance utilization during FY 09-10

# **LME FUNDING REDUCTION STRATEGIES**

- **No good choices—need to reconcile very limited funding with increasing demand**
- **Protect core services**
- **No reductions in Crisis Services**
- **Protect hospital transition services**
- **Protect Walk-In Crisis & psychiatric access**

# **LME FUNDING REDUCTION STRATEGIES**

- **Protect residential services**
- **Across the board reductions for service contracts**

# **LME FUNDING REDUCTION STRATEGIES**

- **Adjustments in LME Consumer Benefit Plans**

- \*Reductions in level of service authorization for both initial and continuing authorizations

- \*Increased frequency of review for intensive/high cost services

- \*Closure of services to new admissions (e.g. Developmental Therapy, Personnel Assistance, Community Support Team, ACTT, etc.)

- \*Setting “caps” on service availability (e.g. limiting the number of State funded consumers who get ACTT at any one time)

- **Manage reductions fairly among age/disability groups**

# GENERAL CONCERNS

- **Loss of new initiatives as the system cuts back to protect “Core Services”**
- **Impact on providers who serve more than one LME as cuts build up**



# GENERAL CONCERNS

- **Impacts across the system (e.g. jails, ERs, State Hospitals)**
- **Increased impacts on consumers & providers as State funding reductions intersect changes in Medicaid rates and service array**